

**Senate Standing Committee on Rural and Regional Affairs and Transport**

**ANSWERS TO QUESTIONS ON NOTICE**

Additional Estimates February 2009

**Agriculture, Fisheries and Forestry**

**Question:** Corporate Finance 01

**Division/Agency:** Corporate Finance Division

**Topic:** Program underspends

**Hansard Page:** 4-5 (23/02/2009)

**Senator Colbeck asked:**

**Senator COLBECK**—I will quickly go to some questions relating to budget and cash flow—where the agency is in respect of its budget projections and cash flow at the moment. Can you give me an overview of whether you are ahead of or behind budget? I would like to go through that program by program, if I can.

**Mr Schaeffer**—Broadly, the department is primarily on track to meet its full-year budget for 2008-09.

Administered, we are projecting a slight underspend this year. Departmentally, we are also projecting to meet our full-year target.

**Senator COLBECK**—What is the quantum of the underspend that you are projecting?

**Mr Schaeffer**—At this stage, although we are working on it, it is around one per cent.

**Senator COLBECK**—Which is quantified as how much in dollars?

**Mr Schaeffer**—I would have to check, but it would be around \$290 million.

**Senator COLBECK**—A \$290 million underspend. Where are the underspends projected to come from? What are the elements that are making up that \$290 million underspend?

**Mr Schaeffer**—The bulk majority of the variance is estimated to come from exceptional circumstances payments from our drought program.

**Senator COLBECK**—Do you have a figure? What is your expected figure? I would like to get a fairly detailed breakdown on how that \$290 million is made up, if I can, please.

**Mr Schaeffer**—I do not have those exact details but I can take it on notice.

**Senator COLBECK**—Could you possibly come back to me later in the morning on that? I would like to be able to go through and have a bit of a look at the detail of that as part of the day's proceedings. Can you undertake to do some work on that for us this morning?

**Dr O'Connell**—We will do what we can as quickly as we can to get that to you.

**Senator COLBECK**—I would like to have a sense of what areas you think you might be underspending in and what areas you might be going to underspend in.

**Mr Schaeffer**—Sure.

**Senator COLBECK**—That might be worth doing. I would like to get a sense of which particular programs are underspent, which you are projecting to underspend and which particular programs you project to be tight on budget. Frankly, I would have expected that you would have had that sort of information available given that is fundamentally what we are talking about here today.

**Mr Schaeffer**—We can get that for you reasonably quickly. As I say, it is just a matter of the timing issues between our department and the Treasury department.

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Additional Estimates February 2009

**Agriculture, Fisheries and Forestry**

**Answer:**

The record in Hansard was corrected at page 137. The expected underspend is \$30m.

The following DAFF administered programs are expected to have minor underspends in 2008-2009.

<b>Program Name</b>	<b>Bill</b>	<b>2008-2009</b>		
		<b>PAES Adjusted Estimates \$'000</b>	<b>Forecast \$'000</b>	<b>Variance \$'000</b>
Support for Irrigators in the Murray-Darling Basin	1	87,931	74,500	13,431
Climate Change Adaptation Program	1	11,000	7,240	3,760
Climate Change Adjustment Program	1	15,000	8,900	6,100
Promoting Australian Produce	1	2,000	0	2,000
Regional Food Productivity and Innovation Program	1	3,000	0	3,000

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Additional Estimates February 2009

**Agriculture, Fisheries and Forestry**

**Question:** Corporate Finance 02

**Division/Agency:** Corporate Finance

**Topic:** Official Hospitality

**Hansard Page:** 11 (23/02/2009)

**Senator Colbeck asked:**

Can you give us some information on the department's hospitality spend so far this financial year?

**Answer:**

For the financial year to 28 February 2009, the Department has spent \$127,983 on official hospitality.

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Additional Estimates February 2009

**Agriculture, Fisheries and Forestry**

**Question:** Corporate Finance 03

**Division/Agency:** Corporate Finance

**Topic:** Efficiency Dividends – cut programs

**Hansard Page:** Written

**Senator Williams asked:**

What programmes have received funding cuts as a result of the 4% efficiency dividend which the government demanded the Department meet this year?

**Answer:**

No administered programs delivered by the Department have had funding reduced as a result of an efficiency dividend.

Departmental costs, which are provided for the running of the Department, have been reduced in 2008-2009 by 3.25 per cent across all activities.

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**ANSWERS TO QUESTIONS ON NOTICE**

Additional Estimates February 2009

**Agriculture, Fisheries and Forestry**

**Question:** Corporate Finance 04

**Division/Agency:** Corporate Finance

**Topic:** Additional Efficiency Dividend – cut programs

**Hansard Page:** Written

**Senator Williams asked:**

Has the department being asked to find a further 1.25% efficiency dividend? Where has the department found this funding? What programs have been affected?

**Answer:**

The Department expects that the base funding from 2008-2009 will be reduced by an efficiency dividend of 1.25per cent. Efficiency dividends are not applied to the Department's administered programs.

The efficiency dividend is managed within the department through the internal budget process with funding assigned to priority activities.

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**ANSWERS TO QUESTIONS ON NOTICE**

Additional Estimates February 2009

**Agriculture, Fisheries and Forestry**

**Question:** Corporate Finance 05

**Division/Agency:** Corporate Finance

**Topic:** Carbon Pollution Reduction Scheme

**Hansard Page:** Written

**Senator Williams asked:**

1. When will the department undertake work on the cost of the Government's proposed Carbon Pollution Reduction Scheme (CPRS) to its budget?
2. Will the cost be included in this year's budget in the forwarded estimates for 2010/11?
3. Will Treasury be compensating the department for increased running costs as a result of the Government's CPRS?

**Answer:**

1. The department will make an estimate of the cost if any of the Government's proposed Carbon Pollution Reduction Scheme (CPRS) on the operating costs of the department when the relevant legislation to establish the scheme is passed by Parliament.
2. If the CPRS commences in 2010, the department will adjust budgets in accordance with the cost estimates should that be necessary.
3. The question should be referred to the Department of Finance and Deregulation.

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Additional Estimates February 2009

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**Question:** Corporate Finance 06

**Division/Agency:** Corporate Finance

**Topic:** Petrol budget

**Hansard Page:** Written

**Senator Williams asked:**

What is the petrol budget across all divisions of the Department for 2005/06, 2006/07, 2007/08 and estimated cost for 2008/09?

**Answer:**

Fleet services for the Department are outsourced under the Fleet Management Agreement administered by the Department of Finance and Deregulation. Fuel costs are included in the Leaseplan monthly lease invoice for the vehicle. The Department does not separately budget for the fuel component of the lease cost. Please refer to Corporate Services 03 for the year to date fuel costs for 2008-2009.

**Senate Standing Committee on Rural and Regional Affairs and Transport**

**ANSWERS TO QUESTIONS ON NOTICE**

Additional Estimates February 2009

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**Question:** Corporate Finance 07

**Division/Agency:** Corporate Finance

**Topic:** Electricity budgets

**Hansard Page:** Written

**Senator Williams asked:**

What is the annual electricity budget across all divisions of the Department for 2005/06, 2006/07, 2007/08 and estimated cost for 2008/09?

**Answer:**

The budget electricity costs for the department from 2006-2007 to 2008-2009 are as follows:

Year	2006-07	2007-08	2008-09
Cost (\$'000)	1,187	1,467	1,626

The Department changed property managers during the 2005-2006 financial year and budgeted costs for this financial year are not available.

The budgeted electricity costs for 2008-2009 represent our best estimate of the expected cost for this financial year.